

Message Text

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PAGE 01 MANILA 04463 210939Z
ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 OES-07 NEA-10 USIE-00 NSCE-00
SSO-00 INRE-00 IO-13 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03 SP-02 LAB-04
SIL-01 OMB-01 SS-15 STR-07 CEA-01 L-03 H-01 PA-01
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C O R R E C T E D C O P Y (TEXT)

USADB

PASS TREASURY FOR FREE/SHERK

E.O. 11652: N/A
TAGS: EAID, EFIN
SUBJECT: APPROPRIATE TECHNOLOGY

REF: FREE/KAYLIN TELECON

1. HAVE PREPARED RESPONSES TO FIRST PART OF QUESTION 1,
QUESTION 4 AND QUESTION 8, AS PART OF FY 78 APPROPRIATIONS
HEARINGS. HOPE TO PROVIDE RESPONSES TO REMAINDER
OF QUESTIONS ACCORDING TO STATED DEADLINE.

2. RESPONSE TO FIRST PART OF QUESTION 1:

MY OFFICE HAS RECEIVED CLEAR AND EXPLICIT INSTRUCTIONS
REGARDING THE ROLE OF THE U.S. EXECUTIVE DIRECTOR IN MAKING
LIGHT CAPITAL TECHNOLOGY A MAJOR FOCUS OF THE ADB'S DEVELOP-
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PAGE 02 MANILA 04463 210939Z

MENT STRATEGY. IN A MARCH 17, 1976 LETTER FROM THEN DEPUTY
ASSISTANT SECRETARY BUSHNELL TO MY PREDECESSOR, MR. ROY
PAPP, MR. BUSHNELL STATED, QUOTE YOU SHOULD MAKE CLEAR AT
A VERY SENIOR LEVEL OF THE BANK THE INTENSE CONCERN WITH
THIS SUBJECT IN THE U.S. GOVERNMENT AND IN THE U.S. CONGRESS
UNQUOTE. IN A FOLLOW-UP AUGUST 16 LETTER FROM THE THEN
DIRECTOR OF TREASURY'S OFFICE AT INTERNATIONAL DEVELOPMENT

BANKS, IT WAS STATED THAT QUOTE IT IS IMPERATIVE THAT WE URGE THE BANKS, INCLUDING THE ADB, TO DEMONSTRATE ACTIONS TAKEN IN THE FIELD OF APPROPRIATE TECHNOLOGIES UNQUOTE. IN ADDITION, CONGRESSIONAL INTENT AND REQUESTS HAVE BEEN SYSTEM-ATICALLY TRANSMITTED TO US BY LETTERS, CONGRESSIONAL REPORTS, MEMORANDA, AND CABLES.

THE UNITED STATES MISSION TO THE ASIAN DEVELOPMENT BANK HAS TAKEN EVERY APPROPRIATE OPPORTUNITY, AT THE BOARD OF DIRECTORS MEETINGS, IN COMMUNICATIONS WITH SENIOR MANAGEMENT, AND IN INFORMAL DISCUSSIONS WITH TECHNICAL STAFF TO STRESS THE IMPORTANCE WE ATTACH TO THE MATTER. I BELIEVE THE POSITIVE RESPONSE OF THE ADB TO USG INITIATIVES ON LIGHT CAPITAL TECHNOLOGY IS EVIDENCED BY THE BANK'S COMPREHENSIVE PAPER SUBMITTED TO THE BOARD OF DIRECTORS IN NOVEMBER 1976 AND SUBSEQUENTLY PUBLISHED AS AN OCCASIONAL PAER IN APRIL 1977; AND THE SPECIAL ATTENTION THAT LIGHT CAPITAL TECHNOLOGY IS RECEIVING IN PROJECT APPRAISAL REPORTS. IN MARCH OF THIS YEAR, THE ADB APPROVED THE FINANCING OF A PIONEERING EXAMINATION OF THE MOST EFFECTIVE MEANS OF ASSIMILATING MODERN TECHNOLOGY INTO THE VARIED SOCIO-CULTURAL ENVIRONMENTS OF ASIA AND THE PACIFIC. THE OUTLINE FOR THE STUDY WAS PREPARED BY TWO OF THE WORLD'S LEADING ACADEMICIANS IN THE FIELD OF ECONOMIC DEVELOPMENT, DEAN HENRY ROSOVSKY OF HARVARD, AND KAZUSHI OHKAWA, DIRECTOR OF RESEARCH AND TRAINING, INTERNATIONAL DEVELOPMENT CENTER, JAPAN.

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IN SEVERAL RECENT LOAN PROJECTS (E.G., BANGLADESH AQUACULTURE DEVELOPMENT AND BURMA SECOND FISHERIES DEVELOPMENT), THE BANK HAS IDENTIFIED THE APPROPRIATE LIGHT CAPITAL TECHNOLOGIES. IN THESE PROJECTS THE LOANS ARE AIMED AT ASSISTING LOW INCOME GROUPS, AND THE TECHNOLOGY RECOMMENDED IS LABOR INTENSIVE COMPLEMENTED BY SIMPLE CAPITAL EQUIPMENT APPROPRIATE TO THE NEEDS OF THE TARGET GROUP.

3. RESPONSE TO QUESTION 4:

IN A MEMORANDUM TO THE PRESIDENT OF THE ADB, I NOTED THE IMPORTANCE OF THE FORTHCOMING UN CONFERENCE ON SCIENCE AND TECHNOLOGY AND RECOMMENDED THAT THE ADB ATTEND, GIVEN THE LATTER'S DEMONSTRATED INTEREST IN THIS FIELD. I HAVE ALSO ASKED TO BE KEPT INFORMED ON ADB ACTIVITIES REGARDING THE CONFERENCE.

THE USADB ALSO IS KEEPING WASHINGTON FULLY ADVISED AS TO THE ADB'S ACTIVITIES IN THE FIELD OF LIGHT CAPITAL TECHNOLOGY.

4. RESPONSE TO QUESTION 8;

I BELIEVE THAT THE TESTING OF ALTERNATIVE TECHNOLOGICAL CHOICES SHOULD BE EXPLICITLY DISCUSSED AS PART OF THE PROJECT FEASIBILITY STUDIES AND APPRAISAL PROCESS. I WILL THEREFORE ASK SENIOR MANAGEMENT TO INCLUDE IN A NUMBER OF UPCOMING PROJECT APPRAISALS A SECTION ON THE TECHNOLOGY USED AND THE REASONS FOR ITS SELECTION. THE BANK HAS ALREADY INCLUDED SUCH ANALYSES IN TWO LOANS (BANGLADESH AQUACULTURE AND BURMA FISHERIES). THIS REQUEST WOULD BE PLACED BEFORE MANAGEMENT WITH A VIEW TO HAVING THE BANK INCORPORATE ITS METHODOLOGY FOR THE SELECTION OF TECHNOLOGY EXPLICITLY INTO PROJECT FEASIBILITY STUDIES AND THE LOAN LIMITED OFFICIAL USE

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APPRAISAL PROCESS.
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Message Attributes

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Secure: OPEN
Status: NATIVE
Subject: APPROPRIATE TECHNOLOGY
TAGS: EAID, EFIN, US, RP, ADB
To: STATE
Type: TE
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